

# **How to make a profit in lean times.**

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Relationships built on integrity, confidence and trust are best.  
If you say you're going to do it, DO IT!

Many contractors overlook the importance of relationships with all of the entities you come in contact with.

## A. Contractors

### 1. Primes

- a. Estimators
- b. Project Managers
- c. Accounts payable

### 2. Other work types

### 3. Even contractors that do the same type of work you do.

## B. MDOT

### 1. Small Business Development / DBE Group

### 2. Engineers

### 3. Technicians

# 1. Company Organization

## A. Personnel

1. Office

2. Field Supervision

3. Field

Does your personnel level match your company volume goals?

A Lean Economy is an opportunity to upgrade your workforce.

## **2. Find the right jobs to bid.**

### **A. Determine the work type to pursue**

- 1. What type of work do you make money doing?**
- 2. What do you do best?**
- 3. Do you have geographical limitations?**

### **B. Types of jobs to bid**

#### **1. Governmental**

- a. MDOT**
- b. Counties**
- c. Townships**
- d. Cities.**

#### **2. Private Development**

- a. Owners / Developers**
- b. General Contractors**

### **3. Bidding the Work**

#### **A. Bidding on a Cost vs Market Basis**

#### **B. Know your costs!**

#### **C. Know the requirements of the Work**

##### **1. Specifications and Materials**

##### **2. Special Provisions**

##### **3. Scope & Incidentals**

##### **4. Staging or Traffic Control Constraints**

##### **5. Schedule**

###### **a. Overtime required?**

###### **b. Time of year**

#### **D. Visit the Site**

#### **E. Review your bid pricing, verify your calculations**

#### **F. Quote form and any bid qualifications**

## **4. You are the low bidder! What do you do now?**

**A. Review your bid. This is your last chance check for errors before entering into a contract.**

### **B. Contracts**

#### **1. If a subcontractor**

**a. Read the subcontract!**

**b. Review the schedule as it pertains to your work. Is it acceptable?**

**c. Negotiate different language, if necessary**

#### **2. Verify pricing and terms.**

5. Once you have a contract.

A. Purchase agreements with suppliers

B. Lower tier contracts

C. Submittals - Get them approved in advanced

1. Testing Orders

2. Qualified products

3. Mix designs

## **6. Now you have a job under contract.**

**A. Get acquainted with the job Project Manager and Superintendent**

**B. Get acquainted with your Project Engineer and lead Inspector**

**C. Keep aware of the schedule and how your work fits into it.**

**D. Make sure your materials and equipment are available when needed**

**E. Review the job with your field supervisor**

**1. Go over scope and pay items.**

**2. They need to know minimum production requirements.**

**3. An informed supervisor is critical!**

A. Go to the site and review the available work

B. What if there isn't enough work area ready for you?

1. Talk to job superintendent or project manager and explain
2. Does it affect their schedule if you wait for more work?
3. Arrive at a compromise that will work for everyone

C. Now there's enough work available for you to meet or exceed the bid production rates

1. Review the available work at the site
2. Determine traffic and other coordination constraints or limitations
3. Identify your personnel, equipment, tool and material requirements.
  - a. Enough to get you started and keep you going
4. Establish start date and time. Discuss with job superintendent
5. Review the information with your field supervisor!
6. Make your construction plan so you "hit the ground running"!



LANE CLOSED  
TO EASE  
CONGESTION



DON'T BE  
AFRAID OF THE  
"SPACE RAYS"



**you're on the job working.**

**A. Do it right the first time! Going back to do work over is very expensive!**

**B. Keep detailed daily records of pay items, quantities and locations.**

**C. Verify quantities daily with inspector or by viewing the IDRs on Field Manager.**

**D. Make sure all material certifications accompany your deliveries**

**E. Applicable load ticket copies to the inspector each day**

**9. You are asked to perform work outside your contract**

**A. If it's beyond your qualifications or capabilities...say no**

**B. Offer to provide a quotation for the extra work.**

**C. Obtain written price and scope authorization before doing the work.**

**gs appear different than shown on the plans**

- 1. Discuss with prime and inspector/project engineer**
- 2. Obtain written direction on how to proceed**
- 3. If there is agreement that extra work is warranted, provide quotation**
- 4. Obtain written authorization to proceed.**

**If the engineer does not feel extra work is warranted.**

- 1. File written notice of intent to make a claim.**
- 2. Ask for and allow the engineer to keep records of the work in question**
- 3. Compile the cost information and submit in the form of a claim**



**Get the money!**

**Routinely check to verify quantities**

**If items look like they will exceed plan quantity, request a budget contract modification**

**Verify there aren't any insufficient materials for your work.**

**Make sure you know how much and when you should be paid!**